



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 10  
1200 Sixth Avenue  
Seattle, WA 98101

JAN 12 2000

Reply To  
Attn Of: EXA-142

Eric Yould, Executive Director  
ARECA  
703 W. Tudor Road #200  
Anchorage, Alaska 99503-6650

Dear Mr. Yould:

I write to clarify EPA's position regarding Prevention of Significant Deterioration (PSD) permits and the applicability of Best Available Control Technologies (BACT) for different source categories. I am aware of your concern that our request for an adequate justification by the Alaska Department of Environmental Conservation (ADEC) of its BACT decision on Cominco's new diesel generators suggests that the U.S. Environmental Protection Agency (EPA) will make the same demands for PSD permits for rural utilities which install similar generators. This is not true.

Under the Clean Air Act, BACT determinations are made based on an individualized consideration of the facts and circumstances of the facility being permitted. Specifically, once the most effective technically available control technology is identified, the collateral issues of "energy, environment, and economic impacts and other costs" are considered. The unique local factors associated with rural electric utilities serving small Alaskan communities would be specifically analyzed in any BACT determination involving a rural utility. For example, in the BACT analysis for the Nome Joint Utility System's Snake River power plant, the State considered Nome's status as a non-profit, isolated public utility which influenced how those "other costs" were considered.

Specifically, ADEC determined that the "other costs" associated with requiring selective catalytic reduction (SCR) as BACT was not acceptable. As a result, ADEC did not require the installation of SCR and agreed that a less effective control technology would be required. The EPA agrees with that decision.

COM 62-001

We recognize that the electricity rates paid by customers of the Alaskan rural electric utilities are the highest in the U.S.. As we did in the case of the Nome Joint Utility System's application, EPA will continue to be sensitive to affordability of environmental control technologies for future permit applicants. We also will continue to work with ADEC to ensure that these decisions are well-documented.

If you have any questions, please do not hesitate to call me at (206) 553-5811.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Findley". The signature is written in black ink and is positioned above the printed name and title.

Charles E. Findley  
Deputy Regional Administrator

cc: Michelle Brown, ADEC